

BEAUGRAND TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN
FINANCIAL STATEMENTS

16-1020

3/04

RECEIVED
MICHIGAN DEPT. OF TREASURY
JUL 20 2004 ✓
7/16
LOCAL AUDIT & FINANCE DIV.

FOR THE YEAR ENDING

MARCH 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

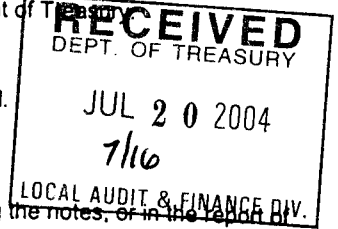
Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Beaugrand Township	County Cheboygan
Audit Date March 31, 2004	Opinion Date July 12, 2004	Date Accountant Report Submitted to State: July 21, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report by comments and recommendations



You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	x		
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGR).			x
			x

Certified Public Accountant (Firm Name) Daniel R. Nieland, C.P.A.			
Street Address 201 South Main Street	City Cheboygan	State MI	ZIP 49721
Accountant Signature <i>Daniel R. Nieland C.P.A.</i>			Date 7-19-04

TABLE OF CONTENTS

Independent Auditor's Report	1
General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds	4
Notes To Financial Statements	5 - 8
Individual Fund Financial Statements:	
General Fund:	
Statement of Detailed Revenues	9
Statement of Detailed Expenditures	10 - 11
Special Revenue Funds:	
Balance Sheet	12
Statement of Revenues, Expenditures and Changes in Fund Balances	13
Fire Fund:	
Balance Sheet	14
Statement of Revenues, Expenditures and Changes in Fund Balance	15
Liquor Fund:	
Balance Sheet	16
Statement of Revenues, Expenditures and Changes in Fund Balance	17
Road Fund:	
Balance Sheet	18
Statement of Revenues, Expenditures and Changes in Fund Balance	19
Fiduciary Funds:	
Statement of Changes in Assets and Liabilities - All Agency Funds	20
Other Supplemental Schedules:	
Auditing Procedures Report	21
Letter of Comments and Recommendations	22

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CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

Township Board
Beaugrand Township
Cheboygan County
Cheboygan, Michigan 49721

We have audited the accompanying general purpose financial statements of Beaugrand Township, Cheboygan County, as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Beaugrand Township, Cheboygan County, as of March 31, 2004, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The individual fund financial statements listed in the table of contents are represented for purposes of additional analysis and are not a required part of the general purpose financial statements of Beaugrand Township, Cheboygan County. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.


CERTIFIED PUBLIC ACCOUNTANT

July 12, 2004
Cheboygan, Michigan 49721

BEAUGRAND TOWNSHIP
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2004

<u>ASSETS</u>				
	<u>Governmental Fund Types</u>		<u>Account Groups</u>	<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>General Fixed Assets</u>	(Memorandum Only)
ASSETS:				
Cash	\$219,565	\$ 84,802	\$	\$304,367
Receivables:				
Taxes Receivable	3,555	2,890		6,445
Special Assessments	421			421
General Fixed Assets			258,412	258,412
	<u>\$223,541</u>	<u>\$ 87,692</u>	<u>\$258,412</u>	<u>\$569,645</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES:				
Accounts Payable	\$ 2,137	\$	\$	\$ 2,137
Total Liabilities	2,137	-0-	-0-	2,137
FUND EQUITY:				
Investment in General Fixed Assets			258,412	258,412
Fund Balance:				
Unreserved, Undesignated	221,404	87,692		309,096
TOTAL FUND EQUITY AND LIABILITIES	<u>\$223,541</u>	<u>\$ 87,692</u>	<u>\$258,412</u>	<u>\$569,645</u>

See notes to the financial statements.

BEAUGRAND TOWNSHIP
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED MARCH 31, 2004

	<u>Governmental Fund</u>	
	<u>General</u>	<u>Special Revenue</u>
REVENUES:		
Taxes	\$ 39,329	\$ 29,563
State Shared Revenue	85,718	
Interest	2,300	968
Rentals and Other	3,417	
Special Assessments	1,898	
Total Revenues	<u>132,662</u>	<u>30,531</u>
EXPENDITURES:		
Legislative	20,328	
General and Administrative Services	60,040	
Public Safety		28,045
Highways, Streets and Bridges	<u>9,587</u>	<u>18,170</u>
Total Expenditures	<u>89,955</u>	<u>46,215</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	42,707	(15,684)
OTHER FINANCING SOURCES:		
Transfers To Other Funds		
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES		(15,684)
FUND BALANCES - BEGINNING	<u>178,697</u>	<u>103,376</u>
FUND BALANCES - ENDING	<u>\$221,404</u>	<u>\$ 87,692</u>

See notes to the financial statements.

BEAUGRAND TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes	\$ 34,362	\$ 39,329	\$ 4,967	\$ 27,625	\$ 29,563	\$ 1,938
State Shared Revenues	93,300	85,718	(7,582)			
Interest	3,550	2,300	(1,250)	520	968	448
Rentals and Other	3,050	3,417	367			
Special Assessments		1,898	1,898			
Total Revenues	<u>134,262</u>	<u>132,662</u>	<u>(1,600)</u>	<u>28,145</u>	<u>30,531</u>	<u>2,386</u>
EXPENDITURES:						
Current:						
Legislative	24,550	20,328	4,222			
General & Administrative	73,900	60,040	13,860			
Public Safety				28,322	28,045	277
Highways, Streets & Bridges	<u>37,700</u>	<u>9,587</u>	<u>28,113</u>	<u>18,300</u>	<u>18,170</u>	<u>130</u>
Total Expenditures	<u>136,150</u>	<u>89,955</u>	<u>46,195</u>	<u>46,622</u>	<u>46,215</u>	<u>407</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,888)	42,707	44,595	(18,477)	(15,684)	2,793
OTHER FINANCIAL SOURCES:						
Transfer To Other Funds	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (OVER) UNDER EXPENDITURES AND OTHER USES	<u>\$ (1,888)</u>	42,707	<u>\$ 44,595</u>	<u>\$ 18,477</u>	(15,684)	<u>\$ 2,793</u>
FUND BALANCES - BEGINNING		<u>178,697</u>			<u>103,376</u>	
FUND BALANCES - ENDING		<u>\$221,404</u>			<u>\$ 87,692</u>	

See notes to the financial statements.

BEAUGRAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The accounting policies of Beaugrand Township conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds and accounting groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

Government Funds

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township in a Trustee capacity for other governments, and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations.

Fixed Assets

All fixed assets are valued at historical costs or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The account group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting is related to the timing of the measurements made, regardless of the measurement of focus applied.

BEAUGRAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

BASIS OF ACCOUNTING

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales tax are considered "measurable" when in the hand of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reduction of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Property Taxes

Property taxes are assessed as of December 31, and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the County tax rolls.

The tax calendar applicable to the tax collection shown in the Current Tax Collection Fund are as follows:

Assessed	December 31, 2002
Billed	December 1, 2003
Due	February 13, 2004
Added To County Rolls	February 28, 2004

Budgets And Budgetary Accounting

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to the beginning of the fiscal year, the Clerk submits to the Township Board a proposed operating budget for the following fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Township to obtain taxpayer comments.
3. Prior to the beginning of the fiscal year, the budget is legally enacted through acceptance by the Board.
4. The Township Board periodically reviews expenditures and compares to budget in compliance with P.A. 621 of 1978. Budget amendments are approved as necessary.

BEAUGRAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE B - COMPARATIVE DATA

Comparative data from March 31, 2003, has not been presented because that period has not been audited. Presentation of unaudited comparative data along with current audited financial statements could be misleading to the reader of these statements.

NOTE C - REPORTING ENTITY

The reported entity shown in these financial statements is Beaugrand Township, Cheboygan County. These statements reflect all revenue and expenditures over which the Township Board has control. The Township participates with three other Townships to fund the Inverness Township Fire Department. The Fire Department is shown as a component unit of Inverness Township.

NOTE D - CASH AND CASH EQUIVALENTS

A summary of the caption cash on the combined balance sheet consist of the following depository accounts by type:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Cash In Demand Accounts	\$ 11,622	\$ 3,929	\$ 15,551
Cash In Savings	<u>207,943</u>	<u>80,873</u>	<u>288,816</u>
	<u>\$216,565</u>	<u>\$ 84,802</u>	<u>\$304,367</u>

These deposits and interest payment accounts are with three different financial institutions. All accounts are in the name of the Township. Interest is recorded when deposits mature or is credited to the applicable account.

Michigan Compiled Law Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions and savings and loan association; bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States, including securities issued or guaranteed by the government National Mortgage Association; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States Banks; mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan; and commercial paper rated by two standard rating agencies within the three highest classifications, which mature no more than 270 days after the date of purchase, and which involved no more than 50 percent of any one fund. Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money. Attorney General's Opinion Number 6168 states that public funds may not be deposited in financial institutions located in states other than Michigan.

BEAUGRAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE D - CASH AND CASH EQUIVALENTS (CONTINUED)

The Township deposits are in accordance with statutory authority. The Governmental Accounting Standards Board (GASB) Statement No. 3 risk disclosures of the Township's cash deposits are as follows:

<u>Deposits</u>	<u>Carrying Amount</u>
Insured (FDIC)	\$204,875
Uninsured	<u>99,492</u>
Total Deposits	<u>\$304,367</u>

NOTE E - PROPERTY AND EQUIPMENT - GENERAL FIXED ASSETS

The components of the General Fixed Assets Group of accounts are summarized as follows:

	<u>Balance 4-01-03</u>	<u>Additions</u>	<u>Balance 3-31-04</u>
Land	\$ 13,807	\$	\$ 13,807
Township Hall	200,582	8,715	209,297
Equipment	14,561		14,561
Office Equipment	<u>20,747</u>		<u>20,747</u>
Investment In General	<u>\$249,697</u>	<u>\$ 8,715</u>	<u>\$258,412</u>

NOTE F - SPECIAL ASSESSMENTS

The Township collects special assessment for street lighting and road construction. Special assessments have been petitioned for by the property owners benefiting. A hearing has been held to approve assessments. Collections are made through add on to property tax and shown in the general fund. According to GASB Statement No. 6, special assessments should be shown through the general fund or capital projects fund.

NOTE G - IMPLEMENTATION OF GASB STATEMENT NUMBER 34

The Governmental Accounting Standards Board (GASB) issued Statement No. 34 in July 1999. This statement requires basic changes in financial statements. The implementation date for the Township of Beaugrand is for periods beginning after June 14, 2004. Further, the Michigan Committee on Governmental Accounting and Auditing Statement No. 7 gives local units the option not to adopt GASB No. 34 in its entirety. The Township will fully implement for its next required audit.

INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

GENERAL PURPOSE FINANCIAL STATEMENTS

BEAUGRAND TOWNSHIP
GENERAL FUND
STATEMENT OF DETAILED REVENUES
YEAR ENDED MARCH 31, 2004

REVENUES:

Taxes:

Current Property Tax	\$ 26,612	\$
Property Tax Administration Fees	10,555	
Delinquent Property Tax	<u>2,162</u>	39,329

State Shared Revenues:

Sales, Income, SBT and Intangibles Tax	82,415	
Swamp Tax	<u>3,303</u>	85,718

Interest	<u>2,300</u>	2,300
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Special Assessments	<u>1,898</u>	1,898
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Miscellaneous:

Rent	2,825	
Other	<u>592</u>	<u>3,417</u>

TOTAL REVENUES		<u><u>\$132,662</u></u>
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BEAUGRAND TOWNSHIP
GENERAL FUND
STATEMENT OF DETAILED EXPENDITURES
YEAR ENDED MARCH 31, 2004

EXPENDITURES:

Legislative:

Township Board:

Wages and Salaries	\$ 5,820	\$
Office Supplies	574	
Local Grants	500	
Printing and Publishing	504	
Memberships and Dues	775	
Transportation	133	
Employer's Social Security	3,119	
Insurance	2,666	
Miscellaneous - Cleanup Day	5,363	
Legal Fees	<u>874</u>	

Total Legislative

20,328

General and Administrative Services:

Assessor:

Salary and Wages	9,483
Computer Support	315
Education	<u>429</u>
	<u>10,227</u>

Executive:

Supervisor:

Salary and Wages	7,500
Transportation	323
Education	20
Office Supplies	<u>37</u>
	<u>7,880</u>

Clerk:

Salary and Wages	7,000
Office Supplies	74
Transportation	60
Computer Support	<u>459</u>
	<u>7,593</u>

Board of Review:

Salary and Wages	825
Printing and Publishing	<u>301</u>
	<u>1,126</u>

BEAUGRAND TOWNSHIP
GENERAL FUND
STATEMENT OF DETAILED EXPENDITURES
YEAR ENDED MARCH 31, 2004

EXPENDITURES: (CONTINUED)

General Services Administration:

Treasurer:

Salary and Wages	\$ 9,058	\$
Office Supplies	1,796	
Transportation	174	
Computer Support	300	
Printing and Publishing	131	
Miscellaneous	45	
	<u>11,504</u>	

Township Hall:

Wages and Salaries	3,580
Supplies	423
Printing and Publishing	69
Utilities	3,110
Repairs and Maintenance	2,829
Telephone	859
Contracted Services	2,125
Capital Outlay	8,715
	<u>21,710</u>

Total General And Administrative Services	60,040
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PUBLIC WORKS:

Highways, Streets and Bridges:

Repairs and Maintenance	9,187
Street Lighting	400
	<u>9,587</u>

Total Public Works	9,587
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TOTAL EXPENDITURES	<u>\$ 89,955</u>
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SPECIAL REVENUE FUNDS

BEAUGRAND TOWNSHIP
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2004

ASSETS

	<u>Fire</u>	<u>Liquor</u>	<u>Road Fund</u>	<u>Total</u>
ASSETS:				
Cash	\$ 39,846	\$ 3,929	\$ 41,027	\$ 84,802
Taxes Receivable	<u>2,890</u>	<u> </u>	<u> </u>	<u>2,890</u>
TOTAL ASSETS	<u>\$ 42,736</u>	<u>\$ 3,929</u>	<u>\$ 41,027</u>	<u>\$ 87,692</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:				
Accounts Payable	\$ -0-	\$ -0-	\$ -0-	\$ -0-
TOTAL LIABILITIES	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
FUND EQUITY:				
Fund Balance:				
Unreserved, and Undesignated	<u>42,736</u>	<u>3,929</u>	<u>41,027</u>	<u>87,692</u>
TOTAL FUND EQUITY	<u>42,736</u>	<u>3,929</u>	<u>41,027</u>	<u>87,692</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 42,736</u>	<u>\$ 3,929</u>	<u>\$ 41,027</u>	<u>\$ 87,692</u>

BEAUGRAND TOWNSHIP
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2004

	<u>Fire</u>	<u>Liquor</u>	<u>Road Fund</u>	<u>Total</u>
REVENUES:				
Taxes	\$ 28,985	\$ 578	\$	\$ 29,563
Interest	<u>212</u>	<u>40</u>	<u>716</u>	<u>968</u>
TOTAL REVENUES	29,197	618	716	30,531
EXPENDITURES:				
Public Safety	27,335	710		28,045
Public Works	<u> </u>	<u> </u>	<u>18,170</u>	<u>18,170</u>
TOTAL EXPENDITURES	<u>27,335</u>	<u>710</u>	<u>18,170</u>	<u>46,215</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,862	(92)	(17,454)	(15,684)
OTHER FINANCING SOURCES				
Operating Transfer In	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	1,862	(92)	(17,454)	(15,684)
FUND BALANCES - BEGINNING	<u>40,874</u>	<u>4,021</u>	<u>58,481</u>	<u>103,376</u>
FUND BALANCES - ENDING	<u>\$ 42,736</u>	<u>\$ 3,929</u>	<u>\$ 41,027</u>	<u>\$ 87,692</u>

See notes to financial statements.

BEAUGRAND TOWNSHIP
FIRE FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

Cash	\$ 39,846
Accounts Receivable	<u>2,890</u>
TOTAL ASSETS	<u>\$ 42,736</u>

LIABILITIES AND FUND BALANCES

Accounts Payable	\$ -0-
TOTAL LIABILITIES	<u>-0-</u>
FUND EQUITY:	
Fund Equity:	
Unreserved, Undesignated	<u>42,736</u>
TOTAL FUND EQUITY	<u>42,736</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 42,736</u>

BEAUGRAND TOWNSHIP
FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MARCH 31, 2004

REVENUES:		
Taxes		\$ 28,985
Interest		<u>212</u>
TOTAL REVENUES		29,197
EXPENDITURES:		
Public Safety:		
Fire Protection	\$ 26,657	
Salaries	630	
Payroll Taxes	<u>48</u>	
TOTAL EXPENDITURES		<u>27,335</u>
EXCESS OF REVENUES AND EXPENDITURES		1,862
FUND BALANCES - BEGINNING		<u>40,874</u>
FUND BALANCE - ENDING		<u><u>\$ 42,736</u></u>

See notes to the financial statements.

Page 15

BEAUGRAND TOWNSHIP
LIQUOR FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

Cash	\$ 3,929
TOTAL ASSETS	<u>\$ 3,929</u>

LIABILITIES AND FUND EQUITY

Accounts Payable	\$ -0-
TOTAL LIABILITIES	-0-
FUND EQUITY:	
Fund Balance:	
Unreserved, Undesignated	<u>3,929</u>
TOTAL FUND EQUITY	<u>3,929</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,929</u>

BEAUGRAND TOWNSHIP
LIQUOR FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
MARCH 31, 2004

REVENUES:

 Taxes:

 Liquor Licenses

 Interest

\$ 578
 40

TOTAL REVENUES

618

EXPENDITURES:

 Law Enforcement:

 Salaries

 Payroll Taxes

\$ 660
 50

TOTAL EXPENDITURES

710

EXCESS OF EXPENDITURES OVER REVENUE

(92)

FUND BALANCE - BEGINNING

4,021

FUND BALANCE - ENDING

\$ 3,929

See notes to the financial statements.

BEAUGRAND TOWNSHIP
ROAD FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

Cash	\$ 41,027
TOTAL ASSETS	<u>\$ 41,027</u>

LIABILITIES AND FUND EQUITY

Accounts Payable	\$ -0-
TOTAL LIABILITIES	-0-
FUND EQUITY:	
Fund Balance:	
Unreserved, Undesignated	<u>41,027</u>
TOTAL FUND EQUITY	<u>41,027</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 41,027</u>

See notes to the financial statements.

Page 18

BEAUGRAND TOWNSHIP
ROAD FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
MARCH 31, 2004

REVENUES:	
Interest	\$ 716
TOTAL REVENUE	716
EXPENDITURES:	
Public Works	18,170
TOTAL EXPENDITURES	18,170
EXCESS OF REVENUES OVER EXPENDITURES	(17,454)
FUND BALANCE - BEGINNING	58,481
FUND BALANCE - ENDING	<u>\$ 41,027</u>

See notes to the financial statements.

FIDUCIARY FUND TYPES

TRUST AND AGENCY FUND

BEAUGRAND TOWNSHIP
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED MARCH 31, 2004

	<u>ASSETS</u>			
	<u>Balance</u> <u>4-01-03</u>	<u>Additional</u>	<u>Deductions</u>	<u>Balance</u> <u>3-31-04</u>
Cash	<u>\$ 246</u>	<u>\$743,414</u>	<u>\$743,418</u>	<u>\$ 242</u>
Due To Other Funds	\$ 246	\$ 67,082	\$ 67,086	\$ 242
Due To County		368,204	368,204	
Due To School		287,134	287,134	
Due To Library		20,139	20,139	
Overpayments/Refunds		<u>855</u>	<u>855</u>	
TOTAL LIABILITIES	<u>\$ 246</u>	<u>\$743,414</u>	<u>\$743,418</u>	<u>\$ 242</u>

See notes to the financial statements.

OTHER SUPPLEMENTAL SCHEDULES

DANIEL R. NIELAND

CERTIFIED PUBLIC ACCOUNTANT

201 SOUTH MAIN STREET
CHEBOYGAN, MICHIGAN 49721
(231) 627-4396
FAX: (231) 627-6594

MEMBER
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
AND
MICHIGAN ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS

July 12, 2004

Township Board
Beaugrand Township
Cheboygan County
Cheboygan, Michigan 49721

Re: Comments and Recommendations

I have examined the general purpose financial statements of Beaugrand Township, Cheboygan County, for the year ended March 31, 2004, and have issued my report thereon dated July 12, 2004.

This report and accompanying recommendations are intended solely for the use of management and should not be used for any other purpose.

I make the following recommendations:

1. Budgeting for revenue resulted in some unfavorable variances. Because of uncertainty of revenue from year to year with respect to State Revenue sharing and interest, these amounts should be conservatively budgeted for. The starting point for revenue should probably be 10% below the prior year's actual. If actual revenue comes in higher, the fund balance would be increased accordingly.
2. For your next required audit, March 31, 2006; the Township is required to implement Governmental Accounting Standards Board Statement No. 34. There will be required changes to the basic financial statements; as well as, required management discussion and analysis. I will meet with Township officials to discuss these changes.
3. The Clerk should maintain a listing of fixed assets, which includes equipment and building additions. Because the audit occurs every two years, it is difficult to pick up accurate figures for capital outlay.

I would like to compliment Terri Sarrault and Janice Girard for the excellent job done as Clerk and Treasurer. Also, the Board as a whole should be proud of their stewardship of public funds, as evidenced by the strong financial position of the Township.

I look forward to working with your Township in the future.

Sincerely,


Daniel R. Nieland, C.P.A.